

## OFFICE OF TOURISM

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# TOURISM ASSESSMENT PROGRAM

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These frequently asked questions describe the relationship between a business identified within the travel and tourism industry and the Tourism Assessment Program.

## WHAT TYPES OF BUSINESSES ARE SUBJECT TO THE TOURISM ASSESSMENT PROGRAM?

Businesses identified as part of the travel and tourism industry are subject to the Tourism Assessment Program. Identified as part of the California Tourism Marketing Act, Government Code 13995, the categories of businesses within the travel and tourism industry are as follows:

1. Accommodations
2. Restaurants and retail
3. Attractions and recreation
4. Transportation and travel services, other than passenger car rental
5. Passenger car rental

## WHY IS MY BUSINESS RECEIVING A TOURISM ASSESSMENT FORM?

A business receiving the Tourism Assessment Form has been identified as a business falling into one of the travel and tourism industry categories. Each category has multiple segments to classify the type of business. An Industry Segment List is available at [californiatourism.ca.gov](http://californiatourism.ca.gov) and provides a non-exhaustive list of the types of businesses fitting into each travel and tourism industry category. Some examples include, but are not limited to:

1. Accommodations
  - a. Hotel, motel, inn, lodge, Bed and Breakfast, campground, RV park, resort
2. Restaurants and retail
  - a. American restaurant, fast food restaurant, concessionaire, eating place, bar, night club, art dealer, department store, family apparel, variety store, gifts
3. Attractions and recreation
  - a. Amusement park, festival operation, fishing boat, historical society, museum, sporting goods rental, tourist attractions
4. Transportation and travel services, other than passenger car rental
  - a. Automobile rental with driver, excursion boat operator, limousine rental, rafting tours, taxicabs, tour operators, travel agencies
5. Passenger car rental

## WHAT REVENUE IS ASSESSABLE?

Total revenue must be reported on the Tourism Assessment Form. Any part of the reported revenue earned as travel and tourism revenue is assessable. This includes revenue from business and leisure travel, government travel and corporate contracts. Travel and tourism revenue is defined in the California Code of Regulations, Chapter 7.65 Tourism Marketing Act as:

“(ee) “Travel and Tourism Revenue” means California Gross Receipts derived from expenditures to and/or within California by people who (1) travel at least fifty (50) miles from home, one way, for purposes other than commuting to work or school; or (2) have an overnight accommodation as part of the travel, regardless of the distance or purpose traveled. “Home” as used in this definition means the place where the person has resided for the most recent 31 consecutive days.

This means revenue earned in conjunction with an overnight stay or from a customer who is 50 miles or more from home is travel and tourism revenue and therefore subject to the assessment fee.

## WHAT IS ACCOMMODATIONS REVENUE?

Accommodations revenue is considered revenue earned in conjunction with a room night, including but not limited to, room service, parking, laundry, or internet service use.

## CAN REVENUE FROM AN ACCOMMODATION AND RESTAURANT WITH THE SAME OWNER BE REPORTED SEPERATELY?

Yes, if you are operating more than one category of business at a single location then revenues may be separated by category, as long as each business has the same Federal Employer Identification Number (FEIN). The Tourism Assessment Rate multiplier for accommodations is .00195. The Tourism Assessment Rate for restaurants and retail, attractions and recreation, and transportation and travel services multiplier is .000975. There is an opportunity to identify how much of the total revenue came from which category of business on the Tourism Assessment Form on paper or at [tourism.ca.gov](http://tourism.ca.gov).

## HOW DO I DETERMINE MY TOURISM PERCENTAGE?

Tourism percentage should reflect the amount of revenue that meets the travel and tourism definition.

Any revenue earned by accommodation in conjunction with an overnight stay or by a traveler more than 50 miles from home is assessable. Revenue earned from guests staying 31 continuous nights or longer is not subject to the assessment.

Revenue derived from any individual or group of persons who travel 50 miles or more to your business location is considered travel and tourism revenue for a business within the attractions and recreation, transportation and travel services, or restaurant and retail industry categories. The business' location and proximity to major freeways, attractions, outlet/premium shopping malls, lodging, or destination locations and venues should be considered when determining the percentage of revenue earned from travel and tourism. In addition, the business' credit card data, market research, consumer surveys or analysis can provide information to assist in determining percentage of tourism.

## IF MY BUSINESS IS A NONPROFIT OR RECEIVES DONATIONS, IS IT ASSESSABLE?

Yes, both not-for-profit and for-profit businesses that have been identified within the travel and tourism industry are required to complete the Tourism Assessment Form. Donations are considered part of gross revenue and must be reported; however, only the revenue from donations meeting the travel and tourism revenue definition would be subject to the assessment.

## CAN I PASS SOME OR ALL OF THE ASSESSMENT ON TO THE CONSUMER?

Yes, the California Tourism Marketing Act allows for some or all of the Tourism Assessment Fee to be passed on to the consumer. Choosing to pass the assessment on is an individual business decision. How the collection of the assessment fee is implemented and whether or not it is disclosed to the consumer is up to each business operator. Any assessment collected from the consumer must be remitted to the Office of Tourism, even if the collection is greater than the fee due.

## WHERE CAN I FIND OUT MORE INFORMATION ABOUT THE CALIFORNIA TOURISM MARKETING ACT?

For reference material related to the legislation and implementation of the California Tourism Marketing Act and Tourism Assessment Program please reference Government Code 13995, et seq., in addition to the California Code of Regulations Chapter 7.65 or visit [californiatourism.ca.gov](http://californiatourism.ca.gov).

To learn more about how the Tourism Assessment Program supports the California Travel and Tourism Commission doing business as Visit California and its mission to develop and maintain marketing programs that keep California top-of-mind as a premier travel destination, please visit [industry.visitcalifornia.com](http://industry.visitcalifornia.com)

For assistance completing your Tourism Assessment Filing please contact the Tourism Assessment Program directly at 916-322-1266 or [assessment@tourism.ca.gov](mailto:assessment@tourism.ca.gov).